SECRET

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10-20-76

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CS-3640
#18383

7 October 1976

MEMORANDUM FOR: Chief, Contract Personnel Division

ATTENTION : Mr. Rod Brooks

FROM : Joel E. Keys, Chief
Corporate Cover Branch
Central Cover Staff

SUBJECT : Request for Letter of Agreement

02 1. Please prepare a Letter of Agreement between the Agency and (LPBLUE, which through the President of the firm, Mr. (Emmett M. Steele) has agreed to place on retainer a Contract Agent of Europe Division, 02 (TOPHONE/1. John J. Murray, Jr. represented the Agency in these negotiations. Identities will be forwarded under separate cover. 06

2. Effective 1 October 1976, (LPBLUE will place on retainer (TOPHONE/1 at an annual retainer of $9,000, which will be paid to him in monthly increments of $750 by (LPBLUE. The Company will overtly negotiate a retainer contract with (TOPHONE, which will make eminently clear that both are negotiating and concluding the contract as independent parties; that the Company, (LPBLUE, will have no obligation to withhold Federal, or state income taxes, or Social Security taxes.

02 3. In consideration of the support rendered, the Agency will pay (LPBLUE $10,000 annually. Provision is made in this amount to offset any nominal expenses the firm incurs in its overt associations or support of (TOPHONE/1. It also serves, in part, to minimize the chances that auditing personnel will identify a wash transfer between the notional facility and payments to (TOPHONE/1.

4. The Agency will reimburse (LPBLUE in quarterly increments via a contrived contractual arrangement between (LPBLUE and a notional facility of the Agency. Cancelled checks will serve as adequate accountings for monies paid (LPBLUE.

5. Please include the usual paragraphs of appreciation, secrecy, and prohibition of bona fide employment.

6. All information relating to this agreement is classified secret. Both the Agency and the Company agree that the most stringent safeguards will be taken to protect this information, including the

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existence of the agreement. Any information in any form that must be given to a third party by either the Agency or the Company will be done in strict conformance to the laws safeguarding national security information, and only with full consultation between the Agency and the Company.

JOEL E. KEYS